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IN THE

Supreme Court of the United States

OCTOBER TERM, 1983

STRUTHERS PATENT CORPORATION, STRUTHERS WELLS CORPORATION, and STRUTHERS SCIENTIFIC & INTERNATIONAL CORPORATION,

Petitioners,

vs.

THE NESTLE COMPANY, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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RESPONDENT'S BRIEF IN OPPOSITION

The Respondent, The Nestle Company, Inc., respectfully requests that the Court deny Struthers' petition for a writ of certiorari, for the reasons set forth herein. The district court's judgment of patent invalidity is supported by a thorough and able opinion, which has been reported at 558 F. Supp. 747, 211 USPQ 1023. The court of appeals affirmed without further opinion, and rehearing in banc was denied by the full court.

COUNTERSTATEMENT OF QUESTIONS PRESENTED

1. Should the Court grant a writ of certiorari to determine matters which have no importance other than to the parties; namely, the correctness of the district court's determinations that in opposing motions for summary judgment of patent invalidity

(a) Petitioners failed to set forth specific facts showing there to be a genuine issue of material fact requiring trial?

(b) Petitioners advanced matters which did not give rise to *genuine* issues of fact, or which were legally irrelevant and hence did not raise *material* issues precluding summary judgment?

(c) Petitioners' naked conclusory averment, unsupported by specific facts or personal knowledge, did not create a genuine factual issue as to events which had been established by unchallenged documentary and testimonial evidence?

2. There being no conflict among the Circuits, should the Court grant a writ of certiorari where the district court merely followed applicable precedent (which has also been adopted by the Court of Appeals for the Federal Circuit) in determining the scope, content and level of skill in the pertinent art by examining the prior patents and publications in that art?

3. There being no conflict among the Circuits, should the Court grant a writ of certiorari where the district court merely followed applicable precedent in ruling that the patentee's prior sale of part of a subsequently patented combination (the other part being old and known, and possessed by the vendee) resulted in invalidity of the patent by reason of the statutory proscription against patenting subject matter which has been on sale more than one year prior to the date of the application for patent?

STATUTES AND RULES

The Petition (p. 2) incorrectly quotes the patent statute, 35 U.S.C. §102(b), in that Petitioner omits the portion (italicized below) which is controlling as to one of Petitioners' alleged grievances. The statute provides:

> **§ 102. Conditions for patentability; novelty and loss of right to patent**
>
> A person shall be entitled to a patent unless—
>
> (b) the invention was patented or described in a printed publication in this or a foreign country *or in public use or on sale in this country,* more than one year prior to the date of the application for patent in the United States, ...

The Petition (p. 2) also quotes paragraph (c) of Rule 56, Federal Rules of Civil Procedure, relating to Summary Judgment, but neglects to set forth pertinent paragraphs (e) and (f) of that Rule, which are controlling as to other of Petitioners' alleged grievances:

> (e) Form of Affidavits; Further Testimony; Defense Required. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further affidavits. When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him.
>
> (f) When Affidavits are Unavailable. Should it appear from the affidavits of a party opposing the motion that he cannot for reasons stated present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

COUNTERSTATEMENT OF THE CASE

Petitioner Struthers Wells Corporation owns some 80% of the voting stock of its subsidiary, co-petitioner Struthers Scientific & International Corporation. Struthers Scientific was the patent owner and plaintiff (or declaratory judgment defendant) in a series of extensively litigated prior actions in which six of the ten patents here in suit were asserted against General Foods Corporation (A45).[1]

General Foods had purchased a freeze concentration system from Struthers for use in making instant coffee, and alleged that Struthers' personnel had gained access to General Foods' plants to install and service that equipment. Struthers did not make application for the patents until a time subsequent to those events. General Foods contended that Struthers, which had no background or experience in coffee processing, had misappropriated and wrongfully patented General Foods' technology (JA4399-4403).

The bitterly contested proceedings were settled in February 1972.[2] Thereupon, the patents were transferred by Struthers

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[1] The appendix to Struthers' Petition is cited by the prefix "A" and page number. "JA" citations are to the Joint Appendix filed in the court below, which has not been transmitted to the Court. All emphasis is supplied.

[2] The settlement with General Foods, which Struthers touts (Pet. 4), bought termination of six patent infringement suits, two Patent Office interference proceedings and 21 opposition proceedings in Britain and Canada, as well as express withdrawal of serious charges of fraud Struthers had leveled (JA1586). Collectively, those contested proceedings would have cost a fortune to try in a plurality of forums. General Foods' Manager of Patent Litigation testified in this action:

> Frankly, I wanted to get rid of this lawsuit and the corporation wanted to get rid of it, and I wanted nothing more to do with it. We had paid a sizeable price in terms of legal expense just to get rid of a nuisance suit. (JA2686)

(Footnote continued on following page)

Scientific to co-petitioner Struthers Patent Corporation, its wholly owned subsidiary and the nominal plaintiff below, in order that Struthers Patent could bring this action (in April 1972) in its own name (Reply ¶¶ 9-10; JA433-434).

In contemplation of suit against Nestle, Struthers also carried out massive destruction of relevant documents which had been assembled in the General Foods litigation, notwithstanding the express terms of an order entered in that prior litigation (A60-111). The document destruction program was directed by William Drucker, a patent attorney who was president of plaintiff and an officer of each counterdefendant. Drucker had guided the litigation with General Foods, and he also participated actively as counsel for Struthers in this litigation. The district court found that both Drucker and Struthers lied under oath concerning the destruction (A72-78).

As Petitioners acknowledge (Pet. 3), the ten patents in suit all relate to freeze concentration. Nestle has made and sold coffee products for many years, but has not used freeze concentration.[3] An independent expert appointed by the district court inspected Nestle's manufacturing plants and the detailed plant drawings, and thereafter testified there was no indication that Nestle employed freeze concentration in its manufacturing process (JA6358-6360).

Freeze concentration is an old and well known means for removing part of the water from a solution, thereby concentrating it. In contradistinction to heating the solution to boil off a part of the water, the solution is instead chilled sufficiently to form some ice, which is then removed mechanically by filtering or centrifuging. The prior art is replete with detailed teachings of freeze concentration processes, apparatus and

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(Footnote continued from preceding page)

> And I say with no reservation that the patents that were in suit, were considered then and in my personal opinion [are] considered now, to cover subject matter which was really not patentable, was perfectly obvious .... (JA2771)

[3] Respondent, The Nestle Company, Inc., is a New York corporation. Its parent is Nestle Enterprises, Inc., a Connecticut corporation, which is owned by Nestle S.A., a Swiss company.

related ancillary expedients, and their use to concentrate a wide variety of solutions and beverages, including coffee.[4] The district court observed:

> As an examination of the prior art record discloses, this subject matter is a well ploughed field. For decades patents have been filed, articles written, and research and development undertaken in every phase of freeze concentration processes and equipment. The same record discloses that the skill in the art by this late date is very high. Not only is the skill in the art high, the subject matter is relatively simple, easily understandable by a person having limited or no technical background in this field.
>
> After reviewing the entire record applicable to all ten patents I concluded that it can be determined that there is no genuine issue of fact that the various changes and alleged improvements which Struthers has introduced into the prior art either are no more than cosmetic differences without any patentable significance or else, if they can be seen as improvements, are such as would have been obvious to one skilled in the art. (A52-53)

Nine of the patents in suit have been held invalid by reason of obviousness in view of the published prior art, 35 U.S.C. §103, among other grounds. The ground of obviousness was not reached as to the tenth patent; it was held invalid under 35 U.S.C. §§102(d) and 112, and Struthers does not challenge those rulings.[5]

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[4] Another group of freeze concentration patents, not owned by Struthers, was held invalid over the prior art in *Sperti Products, Inc.* v. *The Coca Cola Co.*, 272 F. Supp. 441 (D. Del. 1967), *aff'd per curiam*, 399 F.2d 607 (3d Cir. 1968). See also *Application of Clinton*, 527 F.2d 1226 (CCPA 1976), discussed in the opinion below at A155-160.

[5] The Petition alleges error only as to the §103 (obviousness) and §102(b) (prior sale or use) holdings. Four of the patents were invalidated on other grounds, which Struthers does not challenge. Were the Court to grant review and affirm the §103 rulings, all of the patents would be disposed of. Affirmance of only the §102(b) rulings would leave for consideration by the Court the alternative grounds supporting the judgment advanced in Nestle's motions as to two of the patents, *viz.*, abandonment by operation of law, §102(b) prior

(Footnote continued on following page)

Six of the patents invalidated for obviousness under §103 were additionally held invalid on the independent ground of Struthers' own prior sale and offers for sale or public use of the patented subject matter more than one year prior to making application for the patents (35 U.S.C. §102(b), quoted *ante*). By 1963 Struthers was actively engaged in commercial exploitation of the subjects matter it later patented (Pet. 6-7). In 1964 it published an advertising brochure (A161-163) offering for sale its "FreCon" freeze concentration process and apparatus to concentrate coffee, juices and other beverages. The brochure also advertised the availability of a so-called mobile FreCon pilot plant mounted on a railroad flat car, which Struthers had constructed earlier that year to aid in attracting customers (A166-168). The mobile plant was used by General Foods at its Winter Haven plant during April and May 1964 to concentrate both orange juice and coffee (Pet. 7). Meanwhile, in January 1964 Struthers had submitted to General Foods a "firm proposal for a plant to concentrate coffee extract," having an annual commercial capacity of more than three million pounds of coffee solids (A169-170). The formal contract of sale was signed in August 1964. Struthers did not file its initial applications for patent until December 1965 and January 1966.

Struthers would have the Court believe that its patents are "commercially substantial" (Pet. 4), but the record belies that assertion. General Foods found the Struthers processes and equipment to be unsatisfactory, and turned to other vendors to replace them (A44). Struthers' counsel acknowledged below that Struthers long ago abandoned the business:

> There is no showing that Struthers has been actively involved in the business of selling coffee technology since

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(Footnote continued from preceding page)

sale, offer for sale or use, §112 insufficiency, double patenting and extension of monopoly, and Struthers' withholding of material information from the Patent Office (*see* Final Order, A8-22). Reversal of both the §103 and §102(b) rulings would entail consideration by the Court, as to six patents, of those matters and in addition Nestle's grounds of collateral estoppel, failure to prosecute in the manner required by law, late claiming, and inadequate oath or declaration, *inter alia*. We do not address these matters at this time.

1972 or 1973, when Mr. Drucker last testified. I venture to say if they attempted to find out what Struthers is doing today, they would see that it has been entirely inactive in this field and doesn't have any great, abiding interest in doing anything but vindicating their patents and obtaining compensation for the infringement of their patents. (May 1, 1980 Hearing, Tr. 16)

THE PROCEEDINGS BELOW

The ten interrelated patents in suit were considered in four groups. Nestle filed separate motions as to each group seeking summary judgment of invalidity and/or unenforceability of the patents on various grounds, and supported each motion with the pertinent Patent Office file wrappers, prior art patents and publications, documents and testimony from the prior General Foods litigation, and Struthers' answers to interrogatories in this action and in the General Foods litigation. There was no challege to authenticity or admissibility of any of the materials upon which Nestle relied.[6]

The motions were extensively briefed. Struthers had periods of four to six months to respond to the motions, and it submitted a series of affidavits by its employee, Ganiaris, in an effort to fend off summary judgment. The district court heard lengthy argument of the motions in June 1981, and accepted additional Ganiaris affidavits at the hearings.

Judge Debevoise's district court opinion is both painstaking and thorough. It occupies 478 pages in the Appendix to the Petition (A31-508), and has been published at 558 F. Supp. 747, 211 USPQ 1023. Although Struthers criticizes the opinion as "prolix" (Pet. 13), a fair reading shows that the opinion itself amply refutes this, and other, of Struthers' attacks.[7] Judge Debevoise wrote:

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[6] The materials from the General Foods litigation were either obtained from the files of the Delaware district court and marked for identification at a deposition taken by Nestle in the fall of 1972, or were produced by Struthers in this action pursuant to court order.

[7] For example, Struthers relies heavily on Judge Latchum's thirteen-year-old decision in *Struthers Scientific and Int. Corp.* v.

(Footnote continued on following page)

> So vast is the record submitted in support of the summary judgment motions that it is a temptation to conclude that, amidst it all, genuine issues of material fact must exist. However, the trial of this case would impose such a heavy burden upon the parties and upon the resources of the Court, particularly as a jury has been requested, that I concluded that every effort had to be made at this time to comb the record and to determine if such issues do, in fact, exist. This is what I attempted to do, and the necessity to describe for the record the results of this inquiry is the cause of this regrettably (but I think necessarily) long opinion. (A48-49)
>
> * * *
>
> There is one final point I wish to make before turning to the individual motions. I am more confident in my conclusions by reason of the fact that each party has been represented by extraordinarily able counsel. Each legal issue has been briefed and argued exhaustively. Each side has probed the record and has, I am sure, discovered and impressed upon me every fact or circumstance supporting its position. (A59)

New counsel retained by Struthers did not request rehearing before the district court, and has instead included in the Joint Appendix below some 1600 pages of materials which neither party relied upon before the district court. Judge Debevoise consequently had no occasion to consider those items in connection with the motions; yet certain of them have been advanced *de novo* on appeal, and the Petition unfairly criticizes the district court for failing to draw inferences from those documents (*e.g.*, Pet. 23).

(Footnote continued from preceding page)

General Foods Corp., 314 F. Supp. 313 (D. Del. 1970), which denied summary judgment as to two (not three) of the patents "on the basis of the present record" because "the Court is unable to state with any degree of certainty *at this stage of the litigation* that no genuine issue of material fact exists" (Pet. 14). As Judge Debevoise pointed out, "the record before Judge Latchum must have been very different from, and far less extensive than, the record in the present proceeding" (A193).

The arguments Struthers made before the court of appeals, and which it now repeats in the Petition, rested largely on the new documents (*e.g.*, the memorandum printed at A675-83) and on new theories (*e.g.*, experimental use) advanced for the first time on appeal. That effort to begin anew has not succeeded. The court of appeals affirmed on the district court's opinion (A2), and a petition for rehearing in banc was denied (A4).

As we shall demonstrate, no special or important reasons have been advanced which would warrant still further review, and there is no conflict among the Circuits concerning the applicable legal principles. Neither is there any need for exercise of the Court's power of supervision. The particular matters which have been determined below have no importance other than to the parties, and need not detain the Court.

REASONS WHY THE WRIT SHOULD BE DENIED

1. The Judgment Entered Below Was Fully in Accordance with Rule 56.

Judge Debevoise focused on the Ganiaris affidavits which Struthers submitted in an effort to raise factual issues precluding summary judgment. The court denied judgment on certain of the grounds advanced by Nevve because it concluded that facts material thereto were in dispute (*e.g.*, A233-34, A234-35, A235-36, A484).

In other instances, however, Ganiaris' averments failed to raise *genuine* issues of fact (*e.g.*, as when he erroneously swore that an item of published prior art did not contain disclosure which in fact specifically appeared on its face). Several of the averments failed to raise *material* issues (*e.g.*, as when Ganiaris sought to distinguish over prior art on the basis of alleged distinctions not set forth in the patent claims). In these circumstances, there was no need for countering affidavits (*cf.* Pet. 4). Rule 56(e), F.R.Civ.P. (quoted *ante*), places on the party opposing summary judgment the burden of "set[ting] forth *specific facts* showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate,

shall be entered against him." That is what has happened here, and quite properly so.[8]

Struthers did not make any claim before the district court that it was unable to obtain facts essential to justify its opposition to the motions, nor did it contend that depositions or other forms of discovery were needed (*see* F.R.Civ.P. Rule 56(f), quoted *ante*). Consequently, the suggestion that Struthers did not have "an opportunity to present evidence" which "might have" led to a different outcome below (Pet. 8) is as disingenuous as it is erroneous. Struthers was never cut off from offering evidence. The district court even accepted affidavits which had not been served prior to the hearings (A483; JA4930; JA4994; JA5080-81; JA5952-53). The false allegation of lack of opportunity cannot serve to circumvent Rule 56(e).

Likewise, it begs the question to speculate that there "might have been a different outcome" had Struthers presented additional evidence or other theories at a trial (Pet. 8). If genuine issues of material fact are not raised in opposition to summary judgment, there is no occasion for holding a trial. The same applies to Struthers' *post facto* contention that there were facts "subject to interpretation" allegedly requiring testimony to "explain" them (Pet. 9). The burden was on Struthers to make such a showing, if it could, before the district court. *Cf. Toledo Scale Co.* v. *Computing Scale Co.*, 261 U.S. 399, 425 (1923), articulating "a most salutary rule of law, which, after parties have had a full and fair opportunity to prepare their case, refuses to permit them to drag out litigation by bringing in new evidence which, with due diligence, they ought to have discovered before the hearing."

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[8] Ganiaris is not a lawyer, yet many of his purported averments are couched as legal conclusions or principles (which are frequently erroneous). Other of the averments purport to attest, *ex cathedra,* to the state of mind, intent or beliefs of others. The affidavits ignore in large measure the requirements of Rule 56(e) that averments must be based on personal knowledge, and must show affirmatively the affiant's testimonial competence.

An apposite application of that principle is found in *DeLong Corp.* v. *Raymond International, Inc.*, 622 F.2d 1135, 1140 (3d Cir. 1980). After summary judgment of patent invalidity was granted by reason of the patentee's own prior sale of the later-patented subject matter, the patentee sought via motion for reconsideration to introduce evidentiary materials which allegedly showed that the sale had been for "experimental purposes," and hence was not invalidating. The district court denied reconsideration and the court of appeals affirmed; Rule 56(e) requires that any evidentiary material indicating the existence of a genuine issue of material fact "be presented at the hearing in the district court" and not at some later time.

Struthers' parallel contention that the subject matter it placed on sale was only "in a developmental state at the time in question" (Pet. 8) is even more belated. That contention has been newly formulated for appeal, after being expressly disclaimed below. As Judge Debevoise observed, Struthers did not contest that its offers and sales "were for commercial exploitation rather than for experimental purposes" (A224). Moreover, Struthers' sworn interrogatory answers in this action aver that the affected inventions had been reduced to practice (completed) prior to the offers and sales upon which Nestle relied (JA797-809). Struthers is barred from changing its story on appeal (*cf.* A466).

The principles and procedures mandated by Rule 56 were scrupulously observed below. The Petition presents nothing of significance for the Court to consider.

2. The Holdings of Obviousness Were Properly Founded.

In a transparently Procrustean attempt to bring this case within the Court's Rule 17.1(a), Struthers asserts that the outcome warrants invoking the Court's power of supervision "to establish the limits beyond which summary judgment may not be substituted for a trial" (Pet. 11). This shrill contention is utterly lacking in foundation and cannot withstand analysis.

Judge Debevoise's §103 rulings (invalidity by reason of obviousness in view of the prior art) rested on a careful

comparison of the patented subject matter with the extensive prior art submitted in support of the motions. The court's analysis was fully in accordance with *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966), which the opinion cites and follows (A189). Struthers does not point to any substantive error.

Rather, Struthers mounts a flimsy procedural challenge, and contends that the district court should not have looked to the plain text of the prior art patents and publications in order to determine their scope and content and the level of skill in the art. Instead, says Struthers, the court should have taken account only of "expert" opinion, *viz.*, the partisan, self-serving characterizations of the art set forth in the Ganiaris affidavits (Pet. 13).

Struthers made the same contention before Judge Debevoise, who squarely confronted and disposed of it in the opinion (A190-195). Citing pertinent authority which Struthers does not controvert, the district court followed the well established principle that expert opinion is not required where (as here) the subject matter is readily apprehended and easily understood (A194-195).[9]

That familiar and evident principle has also been adopted and applied by the Court of Appeals for the Federal Circuit. The opinion by Chief Judge Markey in *Chore-Time Equipment, Inc.* v. *Cumberland Corp.*, ____ F.2d ____, 218 USPQ 673

[9] To the several cases cited by the district court may be added *Medical Laboratory Automation, Inc.* v. *Labcon Inc.*, 670 F.2d 671 (7th Cir. 1981); *Research Corp.* v. *Nasco Industries Inc.*, 501 F.2d. 358 (7th Cir.), *cert. denied*, 419 U.S. 1096 (1974); and *Monaplastics, Inc.* v. *Caldor, Inc.*, 378 F.2d 20, 21 (2d Cir. 1967) (where the prior patents and publications show that the differences between the patented invention and the prior art are so small that the invention would have been obvious to "laymen of modest intelligence," the district court had no need for expert testimony concerning the "nature of the prior art or the level of skill in the relevant industry"). *Orthopedic Equipment Co., Inc.* v. *All Orthopedic Appliances, Inc.*, 707 F.2d 1376, 1382 (Fed. Cir. 1983), cited at Pet. 12 n, is not to the contrary. That opinion expressly identified "the sophistication of the technology involved" as a determinant of the level of skill in the art.

(Fed. Cir. 1983), rejected contentions paralleling those Struthers advances here:

> It is undisputed that the district court had before it all of the relevant prior patented art. The subject matter, *i.e.*, the scope and content, of those patents being easily discernible from their drawings and written descriptions, no testimony, expert or otherwise, regarding their scope and content was necessary. (218 USPQ at 675)
>
> Similarly, there is no genuine issue respecting the level of skill in the art. Chore-Time has not shown error in Judge Wilson's determination that because the subject matter of the patent and the prior art were in this case so easily understandable, a factual determination of the level of skill in the art was unnecessary. [Citations omitted.] (218 USPQ at 676)

The procedure followed by the district court was fully in accord with the standards set by the court newly constituted to determine appeals in patent cases. It is likewise in accord with the prior decisions of the other Circuits. There is no conflict.

Struthers' charge that Judge Debevoise "completely disregard[ed]" the Ganiaris affidavits (Pet. 13) is flagrantly untrue. As a reading of the opinion readily shows, each of the affidavits was carefully considered and evaluated in deciding each of the four motions. Even when the court was constrained to regard one of Ganiaris' more overreaching averments (which was both unsupported and contradicted by unchallenged objective evidence) as false, the court nevertheless stated in the very next paragraph of its opinion, "it must be assumed that Ganiaris' other sworn statements are true" (A401). The court also accepted Ganiaris' averments which were in conflict with Struthers' own sworn statements:

> There is no doubt in my mind that the factual material which Nestle submitted in support of its motion for summary judgment of invalidity on the ground of prior sale of the [Group IV Howell] '126 patent was sufficient to grant the motion. In particular, Struthers' answer to General Foods' Interrogatory 119 established the factual basis for such a ruling. The answer stated that Struthers had sold to General Foods in 1964 [equipment which embodied] the very essence of the '126 patent.

> As described above, on the day of argument Struthers submitted an additional affidavit signed by Mr. Ganiaris which, when stripped of its circumlocutions, stated that the answer to Interrogatory 119 was false. This new affidavit did not even attempt to explain why or how a false affidavit [*sic*] was filed. At oral argument Struthers' attorneys simply argued that the new affidavit created a disputed issue of a material fact and that it would be a proper subject of cross-examination at the trial.
>
> Reluctantly I conclude that for the time being, at least, the affidavit does create an issue of material fact and precludes granting summary judgment on this ground. Nevertheless, Struthers' casual treatment of the filing of a false statement under oath with a court (even though it was not this Court) is unacceptable. If this case is not concluded by disposition of the motions for summary judgment and any appeals therefrom, the matter will have to be pursued further. (A482-484)

Struthers' unworthy charge thus rings hollow. The "basic error" and "aberration of long accepted principles of summary judgment" of which Judge Debevoise stands falsely accused (Pet. 13) are concocted, and not at all real.

Semantic devices, such as terming Ganiaris an "expert" (Pet. 5, 13) and labeling his affidavits as being in "good faith" (Pet. 14), cannot shield the respects in which they were deficient and failed to meet the tests prescribed by Rule 56(e). Only those averments which showed the existence of *genuine* issues of *material* fact were entitled to consideration. The remainder were not.

For example, Ganiaris swore that the prior art Flosdorf '681 patent did not contain certain disclosure which Nestle attributed to it. The district court opinion pointed out that Ganiaris was "simply wrong," and quoted from the Flosdorf patent to show that it did indeed contain that exact disclosure (A208). Ganiaris' factual error (which Struthers could not repair) did not raise a *genuine* issue of fact. It posed no impediment to summary judgment, and perforce did not require resolution by a jury. Under Rule 56(c), it was entirely appropriate for the court to proceed as it did.

The same is true of the several instances in which Struthers, through Ganiaris, sought to manufacture issues as to matters which were legally irrelevant. Struthers cannot challenge the principle of law (amply supported by cited authority) Judge Debevoise applied: "It is a fundamental principle of patent law that features not recited in a claim cannot be relied upon to establish patentability" (A207). The several averments of irrelevant matters consequently did not raise issues of *material* fact. They are of no avail to Struthers, and would not be admissible in a jury trial.

In entering summary judgment of invalidity by reason of obviousness under §103 on those grounds as to which Struthers failed to set forth specific facts showing that there is a genuine issue for trial, the district court acted fully in accordance with Rule 56, as well as with the Court's decision in *Poller* v. *Columbia Broadcasting System, Inc.*, 368 U.S. 464, 468 (1962) ("the purpose of the rule is not to cut litigants off from their right of trial by jury *if they really have issues to try*"). Consequently, the decision below does not constitute a "stunning precedent with which to foreclose a litigant's right of trial by jury," as Struthers fancifully contends (Pet. 15). The asserted need for further review is non-existent.

3. The Holdings of Prior Sale and Use Do Not Merit Review.

Of the nine patents held invalid under §103 for obviousness in view of the prior art, six were additionally held invalid under §102(b) because their subjects matter had been in public use or on sale in this country more than one year before Struthers made application to patent them. Struthers extravagantly charges that these holdings constituted "an unwarranted extension of the strictures [*sic*] of §102(b)" (Pet. 15); but the contrary is the case. The rulings were fully in accordance with applicable precedent. It is convenient to consider individually the two groups of patents held to have been in public use or on sale.

A. The Group I Muller Patents.

The Muller patents call for conjoining two old and well known techniques, freeze concentration and freeze drying (Pet.

15). Freeze drying (also known as lyophilization) involves completely freezing the solution to a rigid state, and then applying a high vacuum so that the frozen moisture sublimes (*i.e.*, passes directly to the vapor state, without melting). As freeze drying is a relatively expensive way of removing water, it is economically desirable to reduce the amount of water present by concentrating the solution prior to drying. Freeze concentration is one such method of concentration.

More than one year before the application for the Muller patents was filed, Struthers' November 1964 FreCon advertising brochure publicized the economic advantage of joining the two processes:

> Q. What is the difference between freeze concentration and freeze drying?
>
> A. *** Freeze concentration is far less expensive than freeze drying per pound of water removed. Thus, where it is desired to reduce a liquid to a dried product, it is more economical to install a freeze concentration plant as the first step, followed by freeze drying. (A162)

Prior to publication of the Struthers brochure General Foods had developed a coffee product (Maxim) made by freeze drying, and in late 1963 expressed interest in Struthers' freeze concentration system (Pet. 7). Struthers' own documents show its awareness, at the time of its January 1964 firm offer to sell a commercial scale freeze concentration (FreCon) plant to General Foods, that the plant was to be used in the manufacture of freeze dried Maxim coffee (A170-171). Struthers' January 1964 offer, and August 1964 sale, of freeze concentration process and equipment for use in conjunction with the commercially available freeze drying process and equipment already in place at General Foods' Hoboken plant completed the combination which Struthers belatedly applied to patent in Muller's name well over a year later.

Struthers nevertheless argues that because General Foods bought the freeze drying process and equipment from someone other than Struthers, the combination of freeze concentration with freeze drying was not on sale. The contention is sophomoric. Under the plain language of §102(b) it does not matter *who* has previously offered for sale the later-patented subject

matter. Struthers' undisputed offer and sale of the missing piece of the patented combination to one who had earlier purchased the other part was like inserting the last piece in a jigsaw puzzle, *cf. Sinclair & Carroll Co.* v. *Interchemical Corp.*, 325 U.S. 327, 335 (1945). The result was exactly the same as though Struthers had supplied the freeze drying system as well. It is thus immaterial on the facts of this case that "Struthers never sold freeze drying apparatus to anyone" (Pet. 17).

Directly in point is *DeLong Corp.* v. *Raymond International, Inc.*, 622 F.2d 1135 (3d Cir. 1980), a case which Struthers cites (Pet. 16). The patentee had made a prior sale of some, but not all, of the elements comprising the patented combination. The remaining elements were possessed by his vendee. The patentee, like Struthers here, unsuccessfully argued that his sale was not invalidating because he had not sold the complete combination claimed in his later-procured patent. The court rejected that contention and affirmed the holding of invalidity. The portion which the patentee did not supply was not novel; it was known and available in the prior art (622 F.2d at 1142-43).

In the present case, the freeze drying part of the combination was likewise well known and available to those in the art (including General Foods) before Struthers' offers and sale of the freeze concentration part. Indeed, Struthers' Muller patents termed freeze drying "a method known in the art" (A718 at Col. 3, lines 72-73), and additionally cited some 29 prior patents and two standard texts for their description of freeze drying processes and equipment suitable for use in the Muller combination (A718 at Col. 4, lines 5-17).

The judgment below is thus fully consistent with the principles applied in *DeLong*. The Petition, by contrast, is notably bereft of citation of decisional authority supporting Struthers' opportunistic but meritless argument. Only cases dealing with infringement under 35 U.S.C. §271 are discussed (Pet. 17-18), and they are clearly inapposite. None of them is concerned with the on-sale bar of §102(b).

As the Court of Appeals for the Federal Circuit has observed, the intent of §102(b) is "to preclude *attempts* by the

inventor or his assignee to profit from commercial use of an invention for more than a year before an application for patent is filed. *** An offer to sell is sufficient under the policy animating the statute, which proscribes not a sale, but a placing 'on sale'." *The D. L. Auld Co.* v. *Chroma Graphics Corp.*, ____ F.2d ____ (No. 83-585, Fed. Cir., August 15, 1983) (Slip Op. 6, 14). Struthers unquestionably profited from its part in General Foods' procurement of the Muller combination; the August 1964 contract price was $133,100 (JA3319). Additionally, by advertising the combination, and by offering and selling its freeze concentration system to those engaged in freeze drying, Struthers expanded its market beyond processors who merely canned or froze a beverage concentrate. It thereby attempted to derive commercial advantage from the combination, no matter whether Struthers or someone else might supply the freeze drying part.

As stated in *Kock* v. *Quaker Oats Co.*, 681 F.2d 649, 655 (9th Cir. 1982), *cert. denied*, 74 L.Ed.2d 994 (1983):

> To avoid the on sale bar, the inventor must further show that the transferee lacked authority to use the invention or exploit its commercial value. Where an inventor makes a simple outright sale, with the buyer to manufacture, refine, or sell the invention as the buyer chooses, and with no enforceable obligation on the buyer to hold the invention or design for experimental purpose only, the sale is for profit and, if made before the critical date, will invalidate the patent.

General Foods not only had full authority to use the patented combination, it in fact did so. In addition to the contract price, General Foods paid the sum of $10,000 as royalty for commercial use of the plant (A170, A174). *See Hall* v. *Macneale*, 107 U.S. 90, 96 (1883)(prior use by others with the consent and allowance of the patentee).[10]

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[10] Muller, a Struthers vice president, sent samples of General Foods' Maxim product to each member of the board of directors in 1965 with a note announcing that it was "made by removing about ½ the water by the Struthers FreCon process, followed by freeze drying to the crystalline powder form" (JA6218).

The wholly artificial construction of §102(b) urged by Struthers would do violence to the statute and frustrate its purpose. The courts below properly rejected Struthers' attempt to rewrite the law. They instead followed applicable precedent, and that does not provide occasion for review here.

B. The Group III Reimus Patents.

The Reimus "dewaxing" subject matter was publicly used during sales demonstrations of freeze concentration on Struthers' mobile flat car unit at General Foods' Winter Haven plant in May 1964, more than one year prior to Struthers' December 1965 initial application for the Reimus patents. A cheesecloth filter was employed on that occasion to remove "waxy" precipitate from cooled coffee extract, as detailed in the district court's opinion (A377-A383). The episode was described in General Foods' September 1964 Gottesman memorandum, which recommended that filtering means be installed in the FreCon system General Foods had by then contracted to purchase from Struthers (A383).[11] The patents are consequently invalid. *E.g., In re Smith,* ____ F.2d ____ (No. 82-592, Fed. Cir., August 3, 1983) (demonstrations invalidated patent subsequently applied for).

In challenging the invalidation of the Reimus patents on these facts, the Petition does not raise any legal issue concerning the scope or meaning of §102(b). Struthers instead reverts to charging that the district court erred in not blindly accepting one of Ganiaris' averments. The attack is phrased in terms of an improper judging of Ganiaris' "credibility" (Pet. 20), and it is darkly suggested that "the outcome might have been different" if Ganiaris had been given an opportunity to testify at a trial (*Id.*). All of this amounts to nothing more than dressing a plain failure to meet Rule 56 standards in colorful clothing, and then rearguing it under a §102(b) heading.

Struthers acknowledges that the facts pertaining to the May 1964 episode are "indisputable" (Pet. 19), and the

[11] The Gottesman memorandum is dated some four months after the May episode, not "more than a year after the event," as Struthers erroneously states (Pet. 21).

authenticity of the 1964 Gottesman memorandum has not been questioned. Rather than seeking to raise a triable issue as to those indisputable facts, Struthers sought to obliterate them. It procured Ganiaris to swear, *ex cathedra,* that "[p]rior to January 1965, General Foods did not even appreciate that a dewaxing operation was necessary" (A633). Not surprisingly, the district court was constrained to regard Ganiaris' wholly unsupported allegation as false; but the ruling did not rest on that observation. The opinion further stated:

> "Ganiaris' affidavit cannot create a factual issue as to these events by stating generally that prior to January 1965 General Foods did not appreciate that a dewaxing operation was necessary" (A400).

Notably, Struthers has no substantive answer to Judge Debevoise's trenchantly accurate observation. Its attempt to recast the basis of the holding ignores that the court properly applied Rule 56(e). Ganiaris' naked allegation did not set forth *specific facts* showing there to be a genuine issue for trial. Consequently, his unsupported conclusory assertion had "no probative force when weighed against the overwhelming objective evidence to the contrary." *Super Mold Corp.* v. *Clapp's Equipment Division, Inc.,* 397 F.2d 932, 935 (9th Cir. 1968). *See also The D.L. Auld Co.* v. *Chroma Graphics Corp.,* ____ F.2d ____ (No. 83-585, Fed. Cir. August 15, 1983) (affirming summary judgment of patent invalidity for prior sale).

Moreover, Ganiaris' averment was testimonially incompetent, and hence not admissible. He did not aver that he was present at the May 1964 use of the mobile unit at Winter Haven, and he advanced nothing which would draw into question the statements contained in Gottesman's memorandum. Rule 56(e) requires that affidavits be made on *personal* knowledge, set forth *facts* admissible in evidence, and show affirmatively that the affiant is *competent* to testify on the matter set forth. The district court did not err in declining to accept Ganiaris' incompetent generalization as raising a genuine issue of fact.

Struthers' argument that it was improper for the court "to assess as false Ganiaris' statement on so subjective a matter as

what General Foods 'appreciated'" (Pet. 21) puts the shoe on the wrong foot. The impropriety resides in Struthers' procuring Ganiaris to swear to a "subjective" matter, and in then advancing his unsupported averment as allegedly creating a factual issue. Struthers' failure to heed Rule 56 cannot be shifted to Judge Debevoise's shoulders.

Persisting in its attempt to argue the motions *de novo* on appeal, Struthers belatedly advances (Pet. 21-23, A675-683) a 1965 Ganiaris memorandum which was *not* an exhibit to the Ganiaris affidavit and was *not* advanced before the district court in briefing or at the hearing (and which does *not* deal with the state of mind of General Foods' personnel who were present at the mobile unit episode in May 1964). The memorandum, and the construction Struthers would place on it, accordingly cannot be considered now. *Toledo Scale Co.* v. *Computing Scale Co., ante,* 261 U.S. 399, 425; *DeLong Corp.* v. *Raymond International, Inc., ante,* 622 F.2d 1135, 1144.

Summary judgment "cannot be defeated by the vague hope that something may turn up at trial." *Perma Research and Development Co.* v. *Singer Co.,* 410 F.2d 572, 578 (2d Cir. 1969). No useful purpose would be served by grant of certiorari to review Struthers' repeated failures to comply with Rule 56. Neither is there need for the Court to recanvass Struthers' inability to present specific facts showing there to be a genuine issue for trial, as distinguished from "sham issues which should not subject the defendant to the burden of a trial." *Radobenko* v. *Automated Equipment Corp.,* 520 F.2d 540, 543-44 (9th Cir. 1975). The court of appeals has performed that task, and it affirmed without further opinion.

CONCLUSION

For these reasons, the Petition for writ of certiorari should be denied.

Respectfully submitted,

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